

NEW HAMPSHIRE INDIVIDUAL HEALTH PLAN BENEFIT ASSOCIATION

Chairperson's Report for 2001

During 2001 the Association's Board continued the successful operation of the New Hampshire individual market subsidy mechanism. As a result of changes which were implemented earlier, assessment collections were adequate not only to pay all assessments approved in calendar year 2001 but also to make up the carry forward arrearage. This accomplishment was facilitated by the Board's continuing work in attending to efficient operation of the Association. Additionally, carrier experience in 2000 (for which subsidies were approved in 2001) was relatively favorable when compared to expectations.

The most significant event impacting the Association in 2001 was the adoption by New Hampshire's Legislature of extensive revisions to the Association's governing statute, New Hampshire Revised Statute Annotated Chapter 404-G. These revisions charged the Association with the task of implementing a high risk insurance pool for individuals who would otherwise become uninsurable under revised market rules. Under these rules carriers will be able to apply health underwriting in the individual insurance market in New Hampshire. In connection with this broadened task, the legislature resourced the Board with additional representatives of four constituencies: 1) Small Employers; 2) Consumers; 3) Insurance Brokers; and 4) Health Care Providers.

Insurance Commissioner Rogers filled these new board positions with four highly qualified appointees who joined in the task set before the Board. Board members, all serving on a volunteer basis, enlarged their service commitments, starting with the effective date of the new Legislation in July, and devoted two solid working days per month for the balance of the year to this task. October's meeting was held in connection with the annual meeting of NASCHIP, the National Association of State Comprehensive Health Insurance Plans, in Omaha, Nebraska. This enabled the Board both to glean critical information from those experienced in high risk pool administration and to attend educational sessions relevant to the enlarged task assigned by the New Hampshire Legislature. We closed 2001, after the completion of extensive RFP processes, with preliminary selections of key professional and administrative organizations to serve the Association in this enlarged task. Additionally, the Board initiated collections, as specified in the Legislation, for the initial capitalization of the high risk pool.

Cooperation of member companies, particularly those who supply volunteer members for service on the Board of Directors, was excellent throughout the year. The New Hampshire individual market showed signs of improved viability during the course of the year as a result of the Legislative changes and the work of the Association. Our primary focus for 2002, of course, will be toward effective implementation of New Hampshire's high risk pool in accordance with the legislative mandate reported above.



Rod Turner, FSA, MAA
Chairperson